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TAGS: [EFIN](#) [PTER](#) [KTFN](#) [PREL](#)
SUBJECT: SWIFT: AUSTRIA IN HOLDING PATTERN

REF: 06 VIENNA 3551

Classified By: Economic-Political Counselor Gregory E. Phillips for reasons 1.4 (b) and (d)

¶1. (C) On January 31, DCM and Econ Unit Chief met with Thomas Wieser, the Ministry of Finance's Director General for Economic Policy and Financial Markets, and Birgit Ertl, MoF Adviser, to inquire about Austria's latest thinking on SWIFT.

Ertl, who is the MoF's POC for SWIFT, said that the GoA had only sent an interim reply to Justice and Home Affairs DG Jonathan Faull's December letter. According to Ertl, the Austrian Data Protection Committee had not yet agreed on an appropriate response.

¶2. (C) Ertl said that Swedish officials had contacted her to stress that the EU needs SWIFT in order to ensure a functioning general payments system. According to Ertl, several member states -- the UK, Netherlands, and Sweden -- were working on an initiative for a reasonable outcome. Ertl noted that many member states were waiting for the German Presidency to outline its position, before committing themselves. Ertl admitted that Austria was in a holding pattern, waiting to see how things developed in Brussels.

¶3. (C) Wieser agreed with our point that the SWIFT discussion needed to have a better balance between law enforcement obligations, data privacy rights, and maintaining a worldwide payments system. Wieser good-naturedly characterized the Austrian data protection authorities as "ayatollahs." According to Wieser, since the SWIFT story became public in June 2006, only one bank -- a small, provincial one -- had complained about the program to GoA financial authorities.

¶4. (C) Comment: The MoF has been a voice of reason on SWIFT (reftel), privately criticizing what it feels was an initial lack of engagement with the EU on SWIFT, but advocating a low-key, behind-the-scenes approach to reach a solution. The Data Protection Committee, as Wieser noted, is zealous in its independent function as a data protection guardian. Adequate protection of data privacy certainly has resonance in Austrian society, given the country's experience under national socialism.

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